

HOUSE BILL 531

By Helton

AN ACT to amend Tennessee Code Annotated, Title 8,
Chapter 34; Title 8, Chapter 35; Title 8, Chapter
36 and Title 8, Chapter 37, relative to retirement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-203(3), is amended by deleting the language in the first sentence and substituting instead the following:

Distribution of a member's benefit must begin by the required beginning date, which is April 1 of the calendar year following the calendar year in which the member attains age seventy and one-half (70 1/2) or age seventy-two (72) if the member was born on or after July 1, 1949, as such age is extended or otherwise modified by the Internal Revenue Code or the regulations promulgated thereunder, or April 1 of the calendar year following the calendar year in which the member terminates, whichever is later.

SECTION 2. Tennessee Code Annotated, Section 8-36-903(c)(3), is amended by deleting the last sentence and substituting instead the following:

A person serving as a state judge, district attorney general, or member of the general assembly on June 30, 2016, and who is not a participant in the hybrid plan or who has not otherwise maintained membership in the retirement system based on previous service as a state employee or teacher, shall, by no later than October 31, 2016, file an irrevocable election to become or not to become a participant in the hybrid plan.

SECTION 3. Tennessee Code Annotated, Section 8-36-922(d)(1), is amended by deleting the last sentence and substituting instead the following:

With respect to political subdivision employees, "maximum unfunded liability" means an unfunded liability of no greater than the amount as determined by the employees'

respective employer as shall be set forth in the political subdivision's participation resolution, but in no event shall the maximum unfunded liability be greater than twenty percent (20%) of the political subdivision's total pension liability:

SECTION 4. Tennessee Code Annotated, Section 8-37-210(c), is amended by deleting the first sentence and substituting instead the following:

Distribution of a member's benefit must begin by the required beginning date, which is April 1 of the calendar year following the calendar year in which the member attains age seventy and one-half (70 1/2) or age seventy-two (72) if the member was born on or after July 1, 1949, as such age is extended or otherwise modified by the Internal Revenue Code or the regulations promulgated thereunder, or April 1 of the calendar year following the calendar year in which the member terminates, whichever is later.

SECTION 5. Tennessee Code Annotated, Section 8-37-214, is amended by adding the following as a new, appropriately designated subsection:

() A retired member may establish prior service within thirty (30) days after the member's date of retirement and have the member's existing benefit adjusted to reflect that member's newly established prior service as of the date of retirement. A retired member who establishes prior service more than thirty (30) days after the member's date of retirement must receive from the retirement system a second benefit, calculated using the date the service was established as the date of retirement for the second benefit.

SECTION 6. Tennessee Code Annotated, Section 8-37-220(a), is amended by deleting the first sentence and substituting instead the following:

Subject to the conditions set forth in this section, the board of trustees may promulgate substantive and procedural rules to permit members, including retired members, to establish the retirement credit authorized in chapters 34-37 of this title through equal monthly installments over a period not to exceed five (5) years from the date the first

monthly installment payment is due and payable, or the length of service being established, whichever is shorter.

SECTION 7. This act takes effect upon becoming a law, the public welfare requiring it.